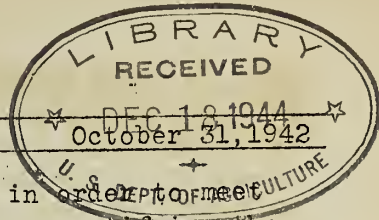


Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

1.942
A8Am12
cop. 2

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration



No. 40

AMA "WAR BOARD" Letter Wash, D.C.

MEAT: AMA needs considerably more meat than is being offered in order to meet shipping schedules. Wires probably will be sent packers tomorrow notifying them that AMA is ready to buy, in all producing areas, all pork, lard, lamb and beef products covered by AMA specifications. All packers have specifications. Purchases will be made at ceiling prices. It is known here that hog marketings are much slower this year than had been expected and that this probably means a jam later on. Steps are being taken to meet this situation.

A temporary market news service will be provided in the Middle West, from offices at Chicago and Des Moines, to put out current market information on hogs. It is expected that this will help equalize marketings and prevent receipts from going above plant capacity.

Also being worked out is hog-marketing permit system. This will be used only if necessary to prevent market gluts.

Seriousness of marketing jam in next couple of months cannot be overlooked. Even if marketings had followed regular trend -- that is, even if October marketings had come up to expectations instead of falling off -- there would have been an increase of about 25 percent in marketings during latter months of year over 1941.

Reported here that question is raised in some sections as to whether L-L meat requirements are being met at expense of U.S. civilians. Here's answer, taken, by the way, from recent speeches of Sect'y Wickard and AMA Administrator Hendrickson on meat shortage:

First, supplies of meat are going to our own armed forces. They need it and are going to get all they need. Next, supplies are going to armed forces of our allies. They are fighting our fight. Meat going to Russia now is the most important meat on earth. Meat going to Britain will be in same category when second front is opened.

Another fact that should not be overlooked is that despite heavy demands of our armed forces and allies, record breaking production of meat this year leaves as much per capita for U.S. civilians as they have had in any recent years. The real trouble is increased purchasing power bringing greater demand for red meat.

FIELD PURCHASE PROGRAMS: Apple purchases through Oct. 29 totaled 1,697,021 bu. Purchases during past week, (Oct 22-29) were made as follows: Connecticut, 8353 bu., Delaware, 8892 bu., Kentucky, 1056 bu., Maine, 3888 bu., Maryland, 3636 bu., Massachusetts, 55,057 bu., Michigan, 16,752 bu., New Hampshire, 8947 bu., New Jersey, 8352 bu., New York, 66,750 bu., Ohio, 50,481 bu., Pennsylvania, 10,912 bu., Rhode Island, 1622 bu., Virginia, 13,443 bu., Vermont, 2785 bu., Washington, 1596 bu., and West Virginia, 9852 bu. All purchases were made at \$1.25 per bu., except 60 bu. in West Virginia, wrapped for storage, purchased at \$1.30 per bu.

Other purchase programs in past week included: 75 tons of squash purchased in Massachusetts and 253 tons purchased in New Hampshire at \$12 per ton; (Total squash purchased through Oct. 29 amounted to 466 tons.) 11,580 bu. sweetpotatoes purchased in North Carolina and 9112 bu. and 6105 bbls. purchased in Virginia. Purchases were made at 90¢ per bu. and \$2.40 per bbl. (Total sweetpotato purchases through October 29 amounted to 40,142 bu. and 6105 bbls) pineapples, 1332 crates purchased in Puerto Rico at \$1.75 per crate.

CONTEMPLATED: Purchases of squash in Vermont, cabbage in Minnesota, Massachusetts and New York, and onions in Minnesota.

MILK AND MILK PRODUCTS: As reported in AMA WB Letter No. 38, over-all dairy program is under consideration by various branches of USDA and OPA. Milk requirements next year loom above prospective production. Means shorter civilian supplies, and over-all program is being designed to meet this situation, but final decisions not yet made. Several problems are involved. One is to get dairy prices and beef animal prices on equitable basis. May mean subsidies and this is being studied. Shortage of skilled dairy labor may be helped by recent Manpower Commission directive freezing farm labor. Another problem is disparity in prices of various dairy products as result of temporary price ceilings. e.g., cheese prices were relatively low compared with prices other manufactured dairy products. Prices of various products may have to be brought back to more normal relationship. This would mean considerable adjustment of temporary ceilings. AMA is not getting all dairy products it needs for L-L shipment. Purchases will have to be expanded greatly. This means further reduction in civilian supplies. (Policy with regard to getting meat to our armed forces and those of allies fits here too.)

Too early to say how program will eventually shape up, but new ceilings, conservation orders, rationing, means of stimulating production, etc. are all receiving consideration.

Expect conservation order on spray process dry skimmilk soon.

Butter: AMA has purchased 26,126,651 lbs so far and indications are that about 10,000,000 lbs monthly be needed. Some have wondered whether AMA will grade and inspect butter purchases.

AMA will inspect and grade all butter purchases. Memo is going to AMA field butter graders today explaining that vendors must arrange for inspection and grading prior to delivery. Purchase announcement states butter must be ready for grading within two weeks after the Wednesday for which offer is made.

VICTORY FOOD SPECIAL PROGRAM: Citrus fruit will be on VFS list twice during winter according to present plans. Grapefruit and tangerines probably featured early in December, with latter product featured only on markets where available. Oranges will be added to these two in later national drive. Citrus crop this year is big and tin is scarce. Means more fresh products must be consumed. Situation was discussed here last week with industry.

Under consideration for VFS feature this winter are sweetpotatoes and dry edible beans.
